

SB 6433 - S AMD 88
By Senator Kastama

PULLED 02/11/2006

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature finds that recent events,
4 including the 9/11 terrorist acts, the tsunami in southeast Asia,
5 Hurricanes Katrina and Rita in the gulf coast, outbreaks of avian flu,
6 and the earthquake in Pakistan, have demonstrated the need for a
7 coordinated, comprehensive all-hazards disaster plan involving
8 citizens, industry, local governments, and the state. Washington
9 state's topography, geography, location, and strategic and economic
10 interests place the state at particular risk from both natural
11 disasters and man-made disasters. In response, Washington state and
12 its local governments have implemented nationally recognized all-
13 hazards emergency management and disaster response plans. However,
14 recent studies have revealed the lack of a secure funding source for
15 resolving impediments to the ability of state and local programs to
16 integrate and coordinate comprehensive disaster preparedness. In
17 addition, local programs suffer disparities in funding and expertise,
18 leaving troublesome gaps in a well-coordinated statewide all-hazards
19 emergency management system.

20 Recognizing that all disasters are local disasters, the legislature
21 therefore intends to strengthen state and local emergency response,
22 mitigation, preparation, and coordination by establishing a stable
23 source of funding with the intent that Washington state become the
24 nationally recognized leader in emergency management. The funding will
25 be dedicated to the development and coordination of state and local
26 government emergency management programs by supporting joint training
27 exercises, citizen and industry coordination with emergency management
28 efforts, public education, and relationship building among local and
29 state emergency management officials.

1 NEW SECTION. **Sec. 2.** The emergency management, preparedness, and
2 assistance account is created in the state treasury. All receipts from
3 the surcharge authorized by section 3 of this act must be deposited
4 into the account. Moneys in the account may be spent only after
5 appropriation. Expenditures from the account may be used only as
6 provided in section 4 of this act.

7 NEW SECTION. **Sec. 3.** (1) In order to provide funds for emergency
8 management, preparedness, and assistance, an annual surcharge of two
9 dollars per policy shall be imposed on every homeowner's, mobile
10 homeowner's, tenant homeowner's, and condominium unit owner's insurance
11 policy, and an annual surcharge of four dollars per policy shall be
12 imposed on every commercial fire, commercial multiple peril, and
13 business owner's property insurance policy, issued or renewed on or
14 after the effective date of this section.

15 (2) The surcharge shall be paid by the policyholder to the insurer
16 that issued the policy, and each insurer shall collect from each
17 policyholder the full amount of the surcharge payable in respect to
18 each policy and remit the amount to the department of revenue.
19 Beginning with invoices issued on or after the effective date of this
20 section, the surcharge shall be stated separately from the premium in
21 any policy invoice or bill issued by the insurer.

22 (3) The department of revenue will collect, administer, audit, and
23 enforce the surcharge under chapter 82.32 RCW. The surcharge is not to
24 be considered premiums of the insurer and is not subject to premium
25 taxes, however, nonpayment of the surcharge by the insured may be a
26 valid reason for cancellation of the policy. The surcharge imposed on
27 policyholders under this section is not subject to retaliatory tax
28 provisions. All proceeds of the surcharge must be deposited in the
29 emergency management, preparedness, and assistance account and may not
30 be used to supplant existing local funding.

31 NEW SECTION. **Sec. 4.** (1)(a) The department must use twenty
32 percent of the funds appropriated from the emergency management,
33 preparedness, and assistance account for the department's
34 administration of this section, and to: Fund the assessment required
35 by section 5 of this act; fund state agency activities, including
36 military department activities, that develop and coordinate

1 comprehensive emergency management plans; train elected and appointed
2 state officials on state laws, disaster command and response
3 structures, and the roles and responsibilities of officials before,
4 during, and after a disaster; administer periodic joint emergency
5 management training exercises involving the military department and
6 other state agencies; and implement state agency projects that will
7 strengthen emergency response, mitigation, preparation, and
8 coordination.

9 (b) The department must allocate eighty percent of the funds
10 appropriated from the emergency management, preparedness, and
11 assistance account for grants to regional agencies, local governments,
12 tribal governments, regional incident management teams, and private
13 organizations to: Develop and coordinate comprehensive emergency
14 management plans; train elected and appointed officials on state laws,
15 ordinances, disaster command and response structures, and the roles and
16 responsibilities of officials before, during, and after a disaster;
17 administer periodic joint emergency management training exercises; and
18 implement projects that will strengthen emergency response, mitigation,
19 preparation, and coordination.

20 (2) Projects funded under this section must include, but need not
21 be limited to, projects that will promote neighborhood level public
22 education on disaster preparedness and recovery issues, situate all
23 weather radios in public buildings, enhance coordination of public
24 sector and private sector relief efforts, and improve the training and
25 operations capabilities of agencies assigned lead or support
26 responsibilities in the state comprehensive emergency management plan.

27 (3) Grant funding may also be used as seed money to establish a
28 dedicated, full-time emergency management director in every county that
29 does not have such a director as of the effective date of this section.

30 (4) The department must establish criteria and procedures for
31 competitive allocation of these funds by rule. At a minimum, the rules
32 must:

33 (a) Establish preferential funding for projects and exercises
34 addressing needs and recommendations identified by the department in
35 the assessment conducted under section 5 of this act;

36 (b) Specify a formula that establishes a base grant allocation and
37 weighted factors for funds to be allocated over the base grant amount

1 for regional agencies, local governments, tribal governments, regional
2 incident management teams, and private organizations with existing
3 emergency management and preparedness programs that are located in a
4 part of the state where the risk of exposure to disasters is deemed by
5 the department to be particularly acute;

6 (c) Specify match requirements; and

7 (d) Include requirements that, at a minimum, a local emergency
8 management agency have: A comprehensive emergency management plan or
9 be a member of a joint local organization for emergency management; and
10 a local director who works at least forty hours a week in that
11 capacity, or have designated by ordinance or resolution an emergency
12 management coordinator who works at least fifteen hours a week in that
13 capacity.

14 (5) No more than five percent of any award made under subsection
15 (1)(b) of this section may be used for administrative expenses.

16 (6) The distribution formula provided in this section may be
17 adjusted proportionally when necessary to meet any matching
18 requirements imposed as a condition of receiving federal disaster
19 relief assistance or planning funds.

20 (7) Local governments receiving funds under this section may not
21 use the funds to supplant existing funding.

22 NEW SECTION. **Sec. 5.** Beginning in January 2008 and biennially
23 thereafter, the department must conduct in conjunction with the
24 emergency management council a strategic assessment of, and issue a
25 report on, the ability of state, local, and tribal emergency management
26 organizations to effectively provide for all phases of comprehensive
27 emergency management. The assessment must:

28 (1) Evaluate state, local, and tribal emergency management
29 capabilities and needs;

30 (2) Evaluate the ability of state, local, and tribal emergency
31 management organizations to provide emergency management mitigation,
32 preparedness, response, and recovery;

33 (3) Evaluate the effectiveness of the emergency management
34 structure at the state, local, and tribal levels;

35 (4) Provide findings and make recommendations that increase the
36 ability of state, local, and tribal emergency management organizations
37 to meet current and future risks; and

1 (5) Detail where and for what purpose funds under section 4(1)(b)
2 of this act have been distributed.

3 NEW SECTION. **Sec. 6.** The joint legislative audit and review
4 committee must study and review the performance of programs implemented
5 under this act. The committee must examine at least the following
6 factors: The number and type of joint exercises conducted under
7 section 4 of this act; the number of programs receiving grant money and
8 the status of those programs; the coordination of comprehensive
9 emergency management plans between state and local jurisdictions; the
10 number of training programs administered; the number of comprehensive
11 emergency management or safety plans created using funds distributed
12 under section 4 of this act; and the number of emergency preparedness
13 officials created and trained with funds distributed under this act.
14 The committee must provide a final report on this review by December
15 2008. Funds from the emergency management, preparedness, and
16 assistance account may be provided to the committee for the purposes of
17 conducting the study.

18 **Sec. 7.** RCW 48.18.170 and 1947 c 79 s .18.17 are each amended to
19 read as follows:

20 "Premium" as used in this code means all sums charged, received, or
21 deposited as consideration for an insurance contract or the continuance
22 thereof. Premium does not include the annual surcharge imposed under
23 section 3 of this act. Any assessment, or any "membership," "policy,"
24 "survey," "inspection," "service" or similar fee or charge made by the
25 insurer in consideration for an insurance contract is deemed part of
26 the premium.

27 **Sec. 8.** RCW 48.18.180 and 1994 c 203 s 2 are each amended to read
28 as follows:

29 (1) The premium stated in the policy shall be inclusive of all
30 fees, charges, premiums, or other consideration charged for the
31 insurance or for the procurement thereof.

32 (2) No insurer or its officer, employee, agent, solicitor, or other
33 representative shall charge or receive any fee, compensation, or
34 consideration for insurance which is not included in the premium
35 specified in the policy.

1 (3) Each violation of this section is a gross misdemeanor.

2 (4) This section does not apply to a fee paid to a broker by an
3 insured as provided in RCW 48.17.270.

4 (5) This section does not apply to the surcharge imposed under
5 section 3 of this act.

6 NEW SECTION. Sec. 9. Sections 2 through 5 of this act are each
7 added to chapter 38.52 RCW.

8 NEW SECTION. Sec. 10. Sections 4 through 6 of this act take
9 effect January 1, 2007."

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10 On page 1, line 2 of the title, after "account;" strike the
11 remainder of the title and insert "amending RCW 48.18.170 and
12 48.18.180; adding new sections to chapter 38.52 RCW; creating new
13 sections; and providing an effective date."

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